

R 231301Z JUL 86
FM AMEMBASSY ANKARA
TO SECSTATE WASHDC 3112
INFO AMCONSUL ADANA
AMCONSUL ISTANBUL
AMCONSUL IZMIR
AMEMBASSY BAGHDAD

C O N F I D E N T I A L ANKARA 07641

E.O. 12356: DECL: OADR
TAGS: [PREL](#) [ETRD](#) [TU](#) [IR](#) [IZ](#)
SUBJECT: IRAN-IRAQ: IRAQI DEBT REPAYMENT AND
KHOMEINI'S AIMS IN THE REGION

11. CONFIDENTIAL - ENTIRE TEXT.

12. SUMMARY: TURKEY IS CONSIDERING THE TERMS OF REPAYMENT OF IRAQI DEBTS, THE MFA OFFICIAL RESPONSIBLE FOR IRAN AND IRAQ, ONDER OZAR, SAID RECENTLY. ACCORDING TO THE MFA ASSISTANT DIRECTOR GENERAL FOR THE MIDDLE EAST AND AFRICA, KHOMEINI NOT ONLY WANTS TO OUST SADDAM HUSSEIN, HE IS DETERMINED TO ESTABLISH ISLAMIC REGIMES THROUGHOUT THE REGION, INCLUDING TURKEY. PM OZAL APPARENTLY IS LESS CONCERNED. END SUMMARY.

13. DURING A RECENT CALL ON THE MFA OFFICIAL RESPONSIBLE FOR IRAN AND IRAQ, ONDER OZAR, ON ANOTHER SUBJECT, POLCOUNS ASKED WHETHER TURKEY HAD DECIDED TO EXTEND TERMS FOR REPAYMENT OF THE CURRENT IRAQI DEBT AND THE ADDITIONAL CREDITS BAGHDAD IS SEEKING. OZAR SAID THAT PRIME MINISTER OZAL'S TOP STAFF HAD MET TO CONSIDER THE CREDIT ISSUE ON SUNDAY, JULY 13, BUT THAT HE HAD NOT YET LEARNED THE OUTCOME OF THEIR DISCUSSIONS. HE SAID THAT A TURKISH DELEGATION WOULD SOON BE DISCUSSING THE QUESTION IN BAGHDAD.

14. ACCORDING TO UNCONFIRMED PRESS REPORTS OF JULY 18, THE TWO COUNTRIES REACHED AGREEMENT ON REPAYMENT TERMS ON JULY 17. IRAQ IS TO PAY 700 MILLION DOLLARS OF THE OUTSTANDING 1.5 BILLION DOLLARS IN CASH AND THE BALANCE, DEFERRED FOR ONE YEAR, WILL BE PAID IN THE FORM OF OIL IMPORTS TO TURKEY. FYI: A HIGH LEVEL TEAM LED BY UNDER SECRETARY PAKDEMIRLI SPENT JULY 16-20 IN BAGHDAD. EMBASSY IS SEEKING AN APPOINTMENT WITH AN APPROPRIATE MFA OFFICIAL FOR A READOUT. END FYI.

15. OZAR WAS SURPRISINGLY SANGUINE OVER SADDAM HUSSEIN'S PROSPECTS FOR STAYING IN POWER FOR THE FORESEEABLE FUTURE. HE NOTED THAT THE KEY ISSUE FOR BOTH WARRING STATES, BUT ESPECIALLY FOR IRAQI MORALE, WAS NOT WHAT HE CALLED THE INDECISIVE MILITARY SITUATION, BUT DOMESTIC CONDITIONS AND THE STATE OF THE ECONOMY.

16. OZAR'S BOSS, MFA ASSISTANT DIRECTOR GENERAL FOR THE MIDDLE EAST AND AFRICA, TEOMAN SURENKOK (PLEASE PROTECT), SOUNDED LESS CONFIDENT WHEN HE TOLD POLCOUNS HIS JUDGMENT THAT KHOMEINI WOULD NOT BE CONTENT MERELY TO OUST SADDAM HUSSEIN, BUT WAS DETERMINED TO ESTABLISH A REGIME LIKE HIS OWN IN IRAQ, AND THROUGHOUT THE REGION, "INCLUDING TURKEY." SURENKOK WENT ON TO SAY, "WE HAVE TOLD THE PRIME MINISTER THAT THIS IS A DANGER FOR TURKEY, BUT HE DISAGREES."

17. COMMENT: THE TURKS HAVE AN INTEREST IN AVOIDING AN ALARMING VIEW OF RECENT DEVELOPMENTS IN THE WAR WHICH MIGHT PREJUDICE THEIR CURRENT NEGOTIATIONS WITH IRAQ OVER CREDIT TERMS. AT THE SAME TIME THE GOT WANTS TO AVOID INDICATIONS THAT THEIR SUBSTANTIAL STAKES IN IRAQ--INCLUDING THE PIPELINE AND OVER A BILLION DOLLARS IN OUTSTANDING DEBT--MIGHT BE IN JEOPARDY.

STRAUSZ-HUPE